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NEW I&L CHARTER

Strengthens Defense Management

NEW CHARTER EXPANDS I & L MISSION

By
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Assistant Secretary of Defense
(Installations & Logistics)*

The Office of the Assistant Secretary of Defense (Installations and Logistics) (I&L) is now operating under a new and more extensive charter which requires greater I&L participation in the weapon systems acquisition process.

The charter, approved by the Secretary of Defense, spells out the responsibilities of my office, which includes the Defense managers responsible for:

- Materiel acquisition.
- Procurement.
- Supply, maintenance, transportation and distribution.
- Real property, facilities management and disposal of military systems of DoD activities throughout the world.
- Energy resources.
- Economic adjustment.

The principal changes in the charter are designed to strengthen the logistics management role in the acquisition of major weapon systems.

Under the new charter, the I&L staff will become involved in the weapon systems acquisition process right from the start; coordinating with the ASD (Comptroller) and the Director, Defense Research and Engineering, to ensure that proper financial, design, production and support requirements are considered in

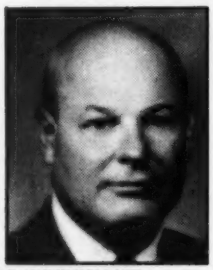
*(*Secretary Mendolia prepared this information for Commanders Digest prior to his resignation on March 31, 1975.)*

ASSISTANT SECRETARY OF DEFENSE (Installations and Logistics)

Arthur I. Mendolia became Assistant Secretary of Defense (Installations and Logistics) in June 1973, succeeding Barry Shillito, who returned to private business.

Mendolia came to the Defense Department with 32 years of experience at E. I. du Pont de Nemours in various production, engineering and executive assignments. From January 1972 until his appointment as ASD (I&L) he was Vice President and General Manager of the Polymer Intermediates Department of du Pont.

Mendolia is a native of Brooklyn, N.Y. He has a Bachelor of Science degree in chemical engineering from Case Institute of Technology. He and his wife, Edythe, have two married daughters.



ACTING ASSISTANT SECRETARY OF DEFENSE (Installations and Logistics) and PRINCIPAL DEPUTY ASSISTANT SECRETARY OF DEFENSE (Installations and Logistics)

Dr. John J. Bennett became the Principal Deputy Assistant Secretary of Defense (Installations and Logistics) in January 1975, succeeding Hugh Witt who now heads the office of Federal Procurement Policy in the

all phases of the acquisition process. The Service Assistant Secretaries for I&L will also become more personally involved in the weapon systems acquisition process.

I&L Assistant Secretaries in the Military Departments will be asked to provide me with advice and information, attend special meetings and issue implementing instructions relating to the acquisition process within their own Departments. In essence, I envision there will be a direct line of program management communication of the concepts expressed in the charter from my office through the offices of the Assistant Secretaries. I will meet periodically, monthly or more often, with my military counterparts to discuss the problems encountered in developing new weapon systems and to determine our alternative moves.

In recent years, primary emphasis has been focused on new technological developments to meet the vastly expanded global Defense requirements. These larger, more complex and sophisticated systems have presented major new challenges to logistics managers. The new charter is intended to focus top logistic management's attention on these problems earlier in the acquisition cycle than had been done previously.

There are three major milestones in the systems acquisition process when the Defense Systems Acquisition Review Council (DSARC) reviews the progress of a program. These milestones are major management control points, more widely known as DSARCs I, II and III.

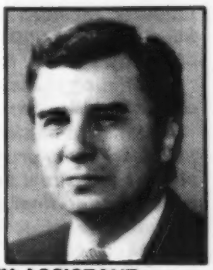
Previously, consideration of production, maintenance, supply and other support costs took place during DSARC III. The revised procedures will require that these factors be considered during the DSARC I and II evaluations. Early consideration of life cycle support costs in the design and support stages should help reduce the overall cost of the system.

Office of Management and Budget. He became Acting Assistant Secretary of Defense (Installations and Logistics) upon the March 31 resignation of Arthur I. Mendolia, Assistant Secretary.

Dr. Bennett came to the Defense Department from Peat, Marwick, Mitchell and Company where he was a management consultant. In this capacity he provided management support services to major DoD weapon system project offices as well as marketing and business analysis consulting services to segments of the computer industry and several small electronic companies.

As Principal Deputy Assistant Secretary of Defense (Installations and Logistics), Dr. Bennett is responsible for the operation and efficiency of logistics programs and systems and will coordinate the activities of the four Deputy Assistant Secretaries and the Offices of Energy Resources and Economic Adjustment.

Dr. Bennett has a Master of Business Administration degree from Michigan State University and a Doctor of Business Administration degree from George Washington University. He is also a graduate of the Industrial College of the Armed Forces, Washington, D.C. He and his wife, Delores, have three children.



DEPUTY ASSISTANT SECRETARY OF DEFENSE (Installations and Housing)

Perry J. Fliakas was appointed Deputy Assistant Secretary of Defense (Installations and Housing) in September 1974.

Prior to assuming his current duties, Fliakas was Director of Facilities Planning and Programming in OASD (I&L).

As DASD (Installations and Housing), Fliakas is responsible for providing, managing, maintaining and disposing of real

Even during the years of criticism of the DoD weapon systems acquisition process, we have had successes. But the effort has also been punctuated with frustrations and failures due, in some measure, to a seeming tendency to push the technological state of the art in favor of less sophisticated systems. These difficulties, combined with inflation, have been costly.

The increasing realization of the necessity to "bite the cost bullet" was the driving factor in pressing for the new I&L charter. The charter is a major adjustment in the acquisition process designed to permit I&L participation well prior to the production phase (DSARC III); this is in time to significantly influence a program without generating higher costs or losing what was already invested.

I firmly believe some of the cost overrun problems experienced in the past stemmed from a relative lack of consideration of production design and logistic support costs in the systems planning and design stages. This is not to say life cycle costing and integrated logistics management have been ignored, but rather that these considerations often have taken a back seat in the urgency to keep up with the "threat." Increased I&L participation earlier in the DSARC process, and the personal involvement of the Military Department Assistant Secretaries for I&L will mean earlier consideration of life cycle costs and integrated logistic management requirements.

My organization, as the principal representative of the Secretary of Defense for all matters of production and support as they affect the various phases and delivery of acceptable weapon systems and equipment for U.S. forces, will be the coordinating point for the exchange of information and advice relating to logistic interests in the acquisition process — without duplicating existing procedures or systems.

Another goal will be our efforts to reduce the number and cost of modifications being made to various systems and to influence the design stage to allow for the increased use of standardized parts. For example, during World War II we had many different kinds of aircraft, but most were equipped with essentially the same radio system.

property, facilities including housing, and utilities in support of worldwide U.S. forces.

In fulfilling these responsibilities he:

- ***Manages implementation of policies, plans, programs and standards for real property from acquisition to final disposition, including construction, housing and maintenance of facilities in support of U.S. forces.***
- ***Determines the real property, housing and maintenance needs—including dependents'—under current and emergency conditions.***
- ***Provides for the realignment of bases, installations, housing and utilities in order to support U.S. forces under conditions of a major attack.***
- ***Evaluates the need for space and real property of all types and the ability to support it during an emergency, and determines excesses for reserves and disposal.***
- ***Assists in evaluation of applicability of DoD real property, housing, space facilities and utilities as they may impact upon the needs of local communities.***
- ***Manages and controls the disposition of all funds, regardless of source, intended or used for real property, housing, facilities and maintenance to ensure its expenditure as planned.***

Fliakas has four directorates to assist in carrying out his responsibilities. They are: Facilities Planning and Programming; Construction Standards and Design; Construction Operations; and Facilities Management.

DEPUTY ASSISTANT SECRETARY OF DEFENSE (Materiel Acquisition)

Jacques S. Gansler became the DASD (Materiel Acquisition) in July 1974. Prior to that time he was Assistant Director of Defense Research and Engineering and was responsible for electronics, research and development planning.

Before joining the Department of Defense, Gansler was Vice President and Director of Business Development at the

I believe it is past the time to return to that World War II concept. It is not necessary to continuously push the technological state of the art past the point of realistic use. A tendency to overcreate can cause many problems and also generate unnecessary modifications. We need to use the R&D community's technological innovations for our benefit, but we also must use those innovations to keep costs under control.

Some of the other responsibilities my office has are:

- Developing procurement policy for DoD and maintaining surveillance over the procurement functions performed by all DoD activities to ensure conformance to established policy.
- Providing, managing, maintaining and disposing of real property, facilities and utilities.
- Managing the energy resources of DoD.
- Managing the economic impact of Defense decisions and actions on the local and regional economies throughout the United States.
- Analyzing the impact of weapon systems on DoD supply, distribution, transportation, maintenance, installation and facilities systems.
- Providing guidance to and follow-up review for the design and development of logistics systems in support of I&L policy and objectives.
- Participating in international logistic and coproduction arrangements with friendly foreign countries by developing policy, providing analysis and advising the Secretary of Defense.

These are just a few of I&L's responsibilities. Others are enumerated elsewhere in this issue of *Commanders Digest* in the discussion of the duties of my four Deputy Assistant Secretaries of Defense and the Offices of Energy Resources and Economic Adjustment.

My main objective in this entire logistics program is to assist in the improvement of the management of weapon systems acquisition and support. This can only be accomplished through the concept of participatory management with the Military Services with whom we must work closely.

Avionics Division of International Telephone and Telegraph (ITT). He also held management positions with Singer Company and Raytheon Corporation.

As DASD (Materiel Acquisition), Gansler is responsible for the acquisition and modification of acceptable weapon systems, subsystems, munitions and equipment which can be effectively produced from the industrial resources of the United States and its allies. To accomplish this he:

- ***Participates in the preparation and review of the DoD budget and exercises control over those program elements which fund weapon systems, subsystems, munitions and equipment in terms of production and modification.***
- ***Develops and maintains a current Industrial Preparedness Plan to provide the required industrial capacity and materials in the event of full or partial mobilization.***
- ***Requires the DoD components to continually trade-off between new weapon systems and modifications to existing weapon systems currently in production.***
- ***Participates in establishing requirements for weapon systems during the DSARC process to ensure consideration of logistical, life cycle costing and design to cost considerations.***
- ***Evaluates the implementation by the Services of acquisition plans at and prior to DSARC I and II to ensure production requirements are accommodated.***
- ***Provides analysis of the available industrial resources as they affect the planned acquisition of weapon systems.***
- ***Promotes research and the application of manufacturing methods, industrial equipment, material and components and new technologies to be used in the acquisition of weapon systems.***
- ***Monitors the development phase and projections of life cycle costs, and analyzes program status to advise the ASD (I&L) on long lead time production procurements and releases.***
- ***Assures application of standardization throughout DoD.***
- ***Plans for the release of and appropriate control over the exportation of manufacturing technology.***

Gansler has five directorates to assist in carrying out his responsibilities. They are: Systems Acquisition; Industrial Preparedness and Production Engineering; Acquisition and Support Planning; Major Weapon Systems; and Weapon Support Systems.

The participatory management precept was initiated by former Secretary of Defense Melvin R. Laird and his Deputy Secretary David Packard and has been continued by the present DoD management team headed by Secretary Schlesinger and Deputy Secretary Clements. It was their belief that implementation of DoD programs would be improved when the Military Services were consulted and participated in the decision-making process. This new charter reinforces the principles of participatory management.

We will continue to meet with the Logistics Systems Policy Committee and the Joint Logistics Commanders to pull these relationships together and further enhance the concept of participatory management.

My entire staff and I will do all we can to realize our mutual goal of improved weapon system and logistics management. And I will continue to solicit the support and active assistance of the entire defense community in reaching the objectives we seek. Only the Military Services can help us accomplish these tasks.

Points of Emphasis

Ensure consideration of production and support in the conception, planning, development, production and delivery of new and modified weapon systems and equipment by:

- Maintaining close liaison with the Assistant Secretaries I&L of the Military Departments.
- Participation of the logistics staff at all levels of DoD management in the formulation of weapon systems concepts and decisions.
- Considering production and support requirements in the planning, programming and budgeting decisions relative to weapon systems design and costing of all phases of the acquisition process.
- Analyze the impact of proposed weapon systems and equipment on DoD programs for supply, distribution,

DEPUTY ASSISTANT SECRETARY OF DEFENSE (Procurement)

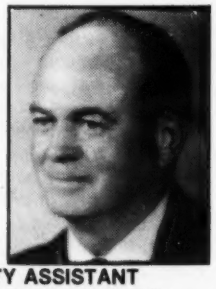
Dale R. Babione was appointed DASD (Procurement) in September 1974.

Babione previously had been Executive Director of Procurement and Production at the Defense Supply Agency.

As DASD (Procurement), Babione develops procurement policy for DoD, maintains surveillance over the procurement functions performed by DoD activities and participates in the weapon systems acquisition process to support the policy and objectives of the ASD (I&L). Other responsibilities are:

- ***Advises the Secretary of Defense, the ASD (I&L) and other OSD elements on procurement matters.***
- ***Ensures that a fair share of DoD business is awarded to small businesses.***
- ***Implements national policy concerning commercial and industrial activities.***

Babione has five directorates to assist in carrying out his responsibilities. They are: Small Business and Economic Utilization Policy; Weapon System Procurement; Contract Placement and Finance; Contract Administration and Support; and the Armed Services Procurement Regulations (ASPR) Committee.



DEPUTY ASSISTANT SECRETARY OF DEFENSE (Supply, Maintenance, Transportation and Services)

Paul H. Riley has been the DASD (Supply, Maintenance, Transportation and Services) since February 1961.

Prior to his appointment as DASD, Riley served as Director of Supply Management Policy and Special Assistant to the Assistant Secretary of Defense for Supply and Logistics.

transportation, maintenance, installations, energy and facilities.

- Identify and ensure that appropriate alternatives and recommended solutions to procurement, production and support problems concerning the weapon systems are considered by the DSARC.
- Ensure that DSARC decisions are effectively reflected in DoD installations and logistics structures, systems and funding arrangements.
- Develop and monitor implementation of long-range and intermediate logistics plans. Collaborate with, and provide input to, the ASD (PA&E) in his preparation of the logistics guidance issued in the annual Planning and Programming Guidance Memorandum.
- Participate in OSD planning, programming, budgeting, and funding actions related to the objectives of the ASD (I&L).
- Develop plans and programs with the Assistant Secretaries (I&L) of the Military Departments to carry out the policies and objectives of the Secretary of Defense in fulfillment of responsibilities related to DSARC I, II and III.
- Ensure consideration of logistics policies and programs of the ASD (I&L) in international logistics and coproduction arrangements with friendly and allied nations for the Secretary of Defense.
- Redelegate Secretary of Defense authority, unless otherwise specifically withheld, to a Secretary of a Military Department or his designee. This authority to redelegate applies equally to programs and functions included in or generated by the new charter and further emphasizes the decentralization of authority.

As DASD (Supply, Maintenance, Transportation and Services), Riley is responsible for the effective management and control of supplies, equipment maintenance and services including distribution, inventory, warehousing and transportation to support the U.S. forces and provide assistance to allies.

In fulfilling these responsibilities he:

- ***Provides policy for and directs the management and assignment of supplies, maintenance, transportation and services for DoD.***
- ***Manages the current and planned cargo and personnel transportation systems of DoD including air, land and sea lift resources.***
- ***Evaluates equipment and systems technology, particularly computer aided equipment, to enhance the capability of supply, maintenance, transportation and other services.***
- ***Provides for food and postal services.***
- ***Develops policy and monitors the planning development, implementation and operation of management systems in his area of responsibility.***
- ***Directs the development of requirements for integrated logistics management in the design of weapon systems, subsystems, munitions and equipment.***
- ***Determines the impact of all weapon systems and equipment upon the supply, maintenance and distribution system available to DoD.***
- ***Determines, prior to DSARC II, whether support requirements are included in the proposals and ensures that the planned weapon system can be supported by available DoD resources.***
- ***Ensures inclusion of life cycle cost considerations in weapon system programs.***

Riley has three directorates to assist in carrying out his responsibilities. They are: Supply Management; Transportation and Distribution; and Maintenance.

DIRECTOR OF ECONOMIC ADJUSTMENT

William J. Sheehan has been Director of Economic Adjustment since August 1971. He joined the Office of Economic Adjustment in 1966 as a development economist.

Sheehan previously was director of Ohio University's Institute for Regional Development and managed a 21-county regional development program for the Appalachian area of Ohio. He has also served as a senior development economist with Battelle Memorial Institute, where he directed regional programs for private corporations and public bodies throughout the United States. He served with the U.S. Marine Corps during World War II.

He holds a master's degree in Geography from Catholic University. He and his wife, Kathleen, have six children.

As Director of the Office of Economic Adjustment, Sheehan:

- *Reviews all DoD programs as reflected in appropriations and long range plans; localizes their effect in terms of procurement and use of DoD real property, facilities, supply support and inventories, and determines the effect upon industry and communities in terms of both pre-impact and post-impact planning and implementation.*
- *Develops plans and programs to reduce the impact of major changes in DoD programs upon industry and local communities and implements these plans and programs using all resources of DoD, other Federal agencies and the private sector.*
- *Conducts analyses and programs under the auspices of the President's Economic Adjustment Committee as chaired by the Secretary of Defense.*

OFFICE OF ENERGY RESOURCES

Rear Admiral C. Monroe Hart was named Director for Energy in November 1974. His recent prior assignments included duty as Commander, Long Beach Naval Shipyard; Supervisor of Shipbuilding, Newport News S&DD C.O.; and Deputy Commander, Naval Sea Systems Command for Surface Ships.

Admiral Hart was assigned to the Anti-Submarine Warfare Rescue and Salvage Service during World War II and to the staff of the Commander in Chief, U.S. Pacific Fleet, during the Korean War. He has served as head of the Submarine Design Branch of the Special Projects Office where he was awarded the Legion of Merit for his work on the design and development of the Polaris Submarine.

Admiral Hart received a Bachelor of Science degree in electrical engineering at the U.S. Naval Academy. He received a Master of Science degree in Mechanical Engineering and the degree of Marine Engineer from Massachusetts Institute of Technology. He is a graduate of the Naval War College and has completed the Advanced Management Program (AMP) at Harvard Business School. He and his wife, Hazel, have four children.

As Director for Energy, Admiral Hart manages the energy resources of DoD in support of U.S. forces worldwide. He also:

- *Reviews the requirements of all U.S. forces for energy under current and emergency conditions and relates needs to energy availability.*
- *Oversees the distribution of energy available to DoD among military forces and supporting DoD activities and facilities.*
- *Establishes, monitors and executes the DoD energy conservation program.*
- *Oversees the development of plans for alternate sources of energy for strategic and tactical forces and supporting facilities and directs the implementation of these plans.*
- *Supports research for improved sources and use of energy by DoD.*

Admiral Hart has four principal assistants to help in administering his responsibilities. They are assistants for: Requirements, Resources, Conservation and Allocation, and Plans and Programs.

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